

Policy for Collection of Delinquent Taxes Town of Calais, Vermont

Adopted August 2014

Summary

To be fair to all town taxpayers, the collection policy recognizes that individuals may go through periods of financial difficulty. At the same time, the policy asserts that, in general, shifting the burden of one property owner's debt onto other property owners in the town is not appropriate. A taxpayer who becomes delinquent will be encouraged to find alternative resources to pay in full as soon as possible.

It is the responsibility of the taxpayer to contact the Collector of Delinquent Taxes to make arrangements to pay over time if time is needed. A time frame for payment will depend on circumstances and may stretch at most to a year-and-a-half or two years, provided that scheduled payments are regularly made and that the property does not go further delinquent.

Properties that have been delinquent for six months without receipt by the Collector of a first payment and a written agreement specifying regular payments sufficient to clear the back taxes within the time frame described above will be processed for tax sale or for other method of collection.

Properties on which a payment schedule is not faithfully fulfilled or that fall further delinquent may be processed for tax sale or other method of collection.

All costs of any method of collection will accrue against the taxpayer and may become a lien on the property.

Overview and Philosophy

It is in the best interest of the Town of Calais and of its residents that property taxes be paid when they are due. Town and school budgets are set in anticipation of the collection of taxes, and taxes not paid by some property owners shift the cost burden onto others.

As Collector of Delinquent Taxes, I recognize that there are circumstances beyond the control of a taxpayer that may cause delinquency. I will work with people in a diplomatic and professional manner to help them come current in their obligation to the town.

However, if a taxpayer fails to contact me, or if a taxpayer does not get current within what I as Collector believe to be a reasonable length of time, or if a taxpayer does not deal in good faith, it is my duty to proceed with any and all appropriate collection methods to recover the debt in a timely manner, and I shall do so.

The purpose of this policy is to establish clear guidelines so that all delinquent taxpayers will be treated fairly and both the Town and the taxpayer know what to expect.

Delinquent taxes represent a lien on the property and remain in effect until the delinquent tax, penalty, and interest have been paid in full.

Notices

Within 20 days after receiving the warrant and list of property owners from the Town Treasurer, the Collector of Delinquent Taxes will mail the initial notice to taxpayers who are delinquent. This initial notice will indicate the amount of delinquent tax, assessed penalty, and accrued interest. The Collector will include with the initial delinquency notice a statement explaining the possibility of tax abatement.

Follow-up delinquency notices will be sent at least quarterly until taxes, penalty, and interest have been paid in full.

It is the responsibility of the property owner or taxpayer to notify the town in writing of any change of mailing address.

Penalty

A penalty in an amount set by the selectboard with advice from the voters is assessed as a percentage of the original amount of the tax delinquency. For the 2013 tax year and prior, the penalty was assessed at eight percent (8%). On 2014 taxes the penalty will be seven percent (7%).

Interest

On the date that the warrant is issued to the Collector of Delinquent Taxes by the Treasurer and again on the first day of each month after, interest on the delinquent tax balance is assessed at the monthly rate determined by the voters. Starting with April 2013, voters set the amount of interest at one-half of one percent (.5%) per month or any part of a month. For March 2013 and prior, the amount of interest is one percent (1%) per month or any part of a month.

Payments and Receipts

Full payment of a delinquent account in a lump sum is preferred. Payment may be mailed or hand delivered to the Town Office at 3120 Pekin Brook Road, East Calais, Vermont 05650.

The Collector will issue a receipt to the property owner for every payment. On a monthly basis, the Collector will deliver to the Town Office a carbon copy of each receipt issued during the previous month. The Collector will retain a carbon copy of each receipt issued.

A payment will be credited as having been received per the legible postmark date on the envelope or per the date stamped or written on the envelope or check by the Town official receiving the payment.

Postdated checks will not be accepted. Requests to hold checks for later deposit will not be honored. Cash payments will be accepted at the discretion of the Town official to whom the payment is tendered.

Acceptance of Partial Payments

Partial payments will be accepted if the taxpayer has submitted in writing a dated and signed payment agreement that is scheduled to clear the account within six months from the date of the original delinquency. Without such an agreement, partial payments may be accepted at the discretion of the Collector or of the Town official receiving the payment. Acceptance of partial payments in no way

excuses the taxpayer from liability for the entire balance due, including all interest and penalty and any costs.

Allocation of Partial Payments

Each partial payment will be applied first to the outstanding accrued interest. Any remainder will be proportionately applied to tax and penalty.

Bad Payments

If a payment is returned or refused due to insufficient funds or for any other reason not the fault of the Town or of the Collector, the taxpayer will be charged all associated costs and will lose the privilege of submitting payment by any device except pre-paid cashier's check.

Collection After Extended Delinquency

If no payment arrangement satisfactory to the Collector has been made as of six months after the date of delinquency, or if at any time a payment agreement has not been fulfilled, the Collector of Delinquent Taxes may begin the following actions to collect the taxes, penalty, interest, costs, and fees:

Tax Sale: The Collector will engage an attorney to conduct a tax sale of the property or of as much of the property as is necessary to pay the tax, interest, penalty, costs, and fees:

- The taxpayer and mortgage and lien holders will be notified of the tax sale decision, the deadline date by which full payment must be received to avert sale, and the costs to expect once the sale process begins. Absolutely no partial payments will be accepted after issuance of the notice of tax sale.
- If the deadline for full payment passes and full payment has not been received, a tax sale will be conducted according to procedures specified in 32 VSA § 5252.
- Costs of preparing and conducting the sale, including legal fees up to a maximum of 15% of the amount of delinquent tax, will be charged to the delinquent taxpayer.
- In the event that no one purchases the property at tax sale or if in the judgment of the Collector proceeding with the tax sale is unadvisable, the Collector shall collect the delinquent taxes using any and all means permitted by law.

Court Action: The Collector may file a complaint with the Washington County Small Claims Court or Washington Superior Court.

Abatement of Taxes

Each taxpayer has a right to apply for abatement of property taxes based on any of the grounds listed in 24 VSA § 1535. See the attached Notice of Abatement of Taxes. To request a meeting with the Board of Abatement, please contact the town clerk at 456-8720.

Notice of Possibility of Abatement of Taxes

The Board of Abatement of the Town of Calais is authorized under law, 24 V.S.A. sections 1533-1537, to conduct hearings on requests for abatement of real and personal property taxes. Not every taxpayer is eligible for abatement of taxes, but if you believe you meet the criteria listed below, you may want to consider requesting a hearing. The appropriate paperwork is available at the Calais Town Office.

The criteria include:

- Taxes of persons who have died insolvent.
- Taxes of persons who have moved from the state.
- Taxes of persons who are unable to pay their taxes, interest, and collection fees.
- Taxes in which there is a manifest error or a mistake of the listers.
- Taxes upon real or personal property lost or destroyed during the tax year.

If you believe you qualify for abatement, you should take immediate action to request a hearing, as **filing the application does not stay the collection of your property tax.**

If you file the paperwork to request a hearing, the Board of Abatement will notify you of the date, time, and place of your hearing and you will be responsible for supplying evidence to support your request.

The board is under no obligation to grant any abatement request and may choose to abate all, part, or none of the taxes, interest, and penalties due.

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